

YOUR PAC AND GAMING

Receive it!

Record it!

Report it!

What are we covering today?

- Discuss the different forms of gaming revenue
- Review the financial and gaming event records a PAC is expected to retain
- Types and timelines expected for reporting
- Ensuring gaming information and related records are kept secure and forwarded to new PAC boards
- The goal is to touch on these topics to help the PAC operate within the required policies and procedures.

Sources of gaming funds include...

- Community Gaming Grants: a grant applied for once a year and, for PACs, is based on the previous year's enrolment
- Donations of gaming funds from another organization; such as a community service club or other fundraiser group
- Licensed gaming events held by the PAC, including: regular ticket raffles, 50/50 draws, or bingos
- GST rebates, refunds or sales revenue from assets purchased with gaming funds, and interest

When a PAC receives gaming revenues, it is responsible for:

- Depositing gaming funds into the PAC gaming account
- Ensuring proper recording of gaming revenues and disbursements
- Maintaining and safely storing gaming records
- Reporting in a timely manner to the Gaming Policy and Enforcement Branch (the Branch) on yearly basis for its gaming account, and for each gaming event licence it has received.

PAC Community Gaming Grants (CGGs)

- Apply once a year between April 1st and June 30th
- The application for, and use of, community gaming grants are governed by two sets of documents
 - *Community Gaming Grant – Guidelines (including PAC/DPAC grants)*
 - *PAC and DPAC Grant – Conditions*
- Applications and policy documents can be found online at:
<http://www.gaming.gov.bc.ca/grants/pacdpac.htm>

What can the CGG be used for?

- PACs can find a sample list of the eligible disbursements for the grant in the *Guidelines: Applying for a Community Gaming Grant*, Section 3.
- Eligible disbursements support most costs associated with extracurricular groups, field trips, travel, computer or playground equipment, and student competitions, publications, or ceremonies. Gaming cannot be used to pay for installation costs of playground or computer equipment.
- CGG funds, and only CGG funds, may be accumulated for up to three years without approval from the Branch.

How are CGGs and other gaming funds disbursed?

- *Conditions for a PAC/DPAC Community Gaming Grant* (December 2012), Section 15, states:
 - a) Maintain a separate gaming account...for the exclusive purpose of receiving, holding and disbursing gaming funds.
 - e) Ensure the cheques issued against the gaming account are signed by at least two of the PAC's signing officials; at least one of which must be an officer of the organization;
 - f) Only use electronic transfers and/or automated debits...where the current BOD has authorized the transactions in writing...must specify the purpose and maximum dollar amount permitted.
- Section 16 states:
 - Cash transactions from the gaming account are not permitted.

What kind of records must be kept for the CGG funds?

- *Conditions for a PAC/DPAC Community Gaming Grant* (December 2012), Section 15, states:

The grant recipient must:

- c) Maintain gaming account records that clearly show the amount and purpose of each transaction.
- d) Retain all gaming records for a period of five years from the end of the fiscal year in which the revenue was disbursed. The gaming records include all financial records, cancelled cheques, bank statements, bank transaction receipts, invoices and sale receipts, and all receipts from the disbursement of gaming revenue.

Where does other gaming revenue come from?

- A community service organization is allowed to donate a portion of their gaming grant or licensed net proceeds to PAC groups.
- Members of the public may hold a licensed event to raise funds for extracurricular activities and choose to donate the net proceeds directly to PAC groups.
- GST rebates, interest from the bank or an investment, and revenue from the sale of assets purchased with gaming funds are gaming revenues.
- Note that, while grants can be retained for three years, other gaming funds must be disbursed one year from the date of receipt unless permission is received in advance by the Branch to accumulate them for longer.

Licensed Gaming Events

There are three classes of licence under which gaming events, such as regular raffles, percentage draws, or independent bingos, can be held:

- Class D licence: Is a restrictive licence for very small events. Part of the restrictions state that minors may not buy or sell these tickets.
- Class B licence: Allows minor participation to a limited extent, and allows the licensee to gross up to \$20,000 per licence
- Class A licence: Allows the licensee to gross more than \$20,000.

Again, part of the restrictions state that minors may not buy or sell these tickets.

Class D Licence Summary

- Minors may not buy or sell this class of tickets
- Tickets must be sold for not more than \$2 each
- The fair market value of any prize cannot exceed \$500
- The maximum gross revenue cannot exceed \$5,000
- A regular ticket raffle may run for four months, or a series of either regular ticket raffles or percentage draws may run for up to one year as long as the other licence conditions are met.
- This licence takes three to five business days to process, and costs \$10

Class B Licence Summary

Minors may buy and sell this class of tickets if certain conditions are met. The *Standard Procedures for Ticket Raffles* (February 2012), Section 9.2, states:

“...[the PAC] may not sell tickets to a minor unless the minor is:

- 13 years of age or older; or
- Accompanied by an adult who is apparently the minor's parent or guardian and who consents to the sale.

A minor may not sell tickets...unless the ticket value is not more than \$5 and the minor is doing so as a volunteer.”

Class B Licence Summary, continued

- Except as noted on the previous slide, tickets may be sold for any price
- The fair market value of a prize is not limited
- The maximum gross revenue is \$20,000 or less
- A regular ticket raffle may run for four months, or a series of either regular ticket raffles or percentage draws may run for up to one year as long as the other licence conditions are met.
- This licence takes three to five business days to process, and costs \$25

Class A Licence Summary

- Minors may not buy or sell this class of tickets
- Tickets must be sold for any price
- The fair market value of a prize is not limited
- The maximum gross revenue is an amount greater than \$20,000
- A regular ticket raffle may run for four months, or a series of either regular ticket raffles or percentage draws may run for up to one year as long as the other licence conditions are met.
- This licence takes up to ten weeks to process, and costs \$50

What records must be kept for licensed gaming events?

Standard Procedures for Ticket Raffles (February 2012) lists the records which must be retained from licensed gaming events. The following sections addressing ticket raffles are from the *Standards*:

- Section 9:
A copy of the gaming event licence including amendments and the rules of play for the raffle must be posted or available during ticket sales and at each selling venue.

The PAC needs to retain copies of these documents with their gaming records.

Keep ticket inventory records!

- Section 9.1:

Your organization must be able to account for all tickets, whether sold or unsold. As part of its gaming records, which must be retained for five years, your organization must retain;

- If you buy your tickets, the purchase invoice for all tickets, which must specify the first and last of the sequential numbers of the tickets for each series
- A record by ticket number and series of all sold and unsold tickets; and
- A record of tickets distributed, to parents or students, for sale and returned.

Keep ticket stubs and counterfoils!

- Section 9.1:

Tickets must be retained as follows:

- All ticket stubs or counterfoils, and unsold tickets, must be retained for two years or until the Branch has audited that particular raffle, whichever comes first
- Bearer tickets and stubs need not be retained, except for winning tickets

Other records to be kept include...

- Section 11:
Receipts documenting exact amount of each expense must be retained as part of the gaming records for the ticket raffle.
- Section 12.3:
At the time of the draws, a list of winners must be completed, signed and witnessed by at least two volunteers, at least one of whom is a board member or delegate....

How long must you keep gaming event records?

- Section 13.1:

Your organization must retain all gaming records...for a period of five years from the end of the fiscal year in which the net proceeds were disbursed. Gaming records include all financial records, cancelled cheques, bank statements, bank transaction receipts, invoices and sale receipts, records of tickets sold, records of unsold tickets, records of ticket stubs or counterfoils, and all receipts from the disbursement of gaming revenue. All unsold tickets (except bearer tickets) and ticket stubs or counterfoils must be retained for two years or until the Branch has audited that particular raffle, whichever comes first.

Reporting: What needs to be done?

- Every year, within 90 days after the PAC's fiscal year end, it must submit a Gaming Account Summary Report (GASR) to the Branch. This report will reflect gaming transactions from all revenue sources, and all gaming disbursements, for the fiscal year.
- If the PAC received any gaming event licences, then a Gaming Event Revenue Report (GERR) is due for each licence within 90 days of that licence period ending.
- Both of these reports are available from the Branch's website:
<http://www.gaming.gov.bc.ca/licences/forms-guidelines.htm>

The GASR can be your friend...

The GASR can prove to be a useful tool for reconciling your gaming account activity and bank statements. The report requires some standard PAC information at the top, and then there are nine sections to complete the report and it will be ready to submit. The reports are sent to the Licensing and Grants Division, the address which is located at the top of the report's first page.

GASR: Let's get started

The standard information required is:

- L&G File #: this is a six digit number assigned to your PAC and can usually be found on correspondence from the Branch. It is also known as your "Organization #".
- Report completed on: this is the actual date you are submitting the report to the Branch
- Report for your fiscal year ending on: A fiscal year is a 12-month period of time. It may follow a calendar year, from January to December, or it may be another date your PAC established, such as September 1st to August 31st of the following year.

GASR: Sections 1 & 2 – Starting Information

- Section 1 – Organization Information: The PAC should enter its name as it has been submitted previously to the Branch, and it should enter a current mailing address.
- Section 2 – Opening Balance of Gaming Account: This will be the opening balance of the PAC gaming account. This should either match the PAC opening bank statement balance, or the PAC opening ledger balance. If the PAC has more than one gaming account, or if the PAC has an investment certificate purchased with gaming funds, the opening balance will be the combination of those amounts.

GASR: Section 3 – Gaming Revenue

- Section 3 – Gaming Revenue: The PAC will report the receipt of all gaming funds from the fiscal year in this section by the source of those gaming funds.
- Licensed gaming must be reported separately for each licence. The importance of good gaming records is necessary to identify the sources of licensed gaming revenues if the PAC has more than one licence per fiscal year.
- Other gaming revenue will also need to be identified by source. Again, good records are important if the PAC receives a variety of other gaming revenues.

GASR: Section 3 - Grants

- PAC's will be entering their CGG Grant on line 3 as "PAC/DPAC Grant revenue".
- Use the other grant revenue reporting lines if you have received Major Capital Project Grants, Playground Grants, or other special one-time grants from the Branch.

GASR: Section 3 – Gross Licensed Gaming

- If the prize is paid from cash at the event, as for a percentage draw where sales and awarding of prizes occur on the same day, the PAC must ensure both the GASR and the GERR report the gross sales of the event, and not just the amount deposited to the gaming account as the deposit will be net of cash prizes awarded.
- For regular ticket raffles, where tickets are sold for more than one day and then the prize is awarded, all gross revenue should be deposited to the gaming account. In this case, the GASR, the GERR, and the bank account deposits will match the gross sales amount. If the PAC had cash as a prize, such as \$200 first prize and a \$50 second prize, these amounts are not paid with actual cash on the draw date, but are paid by cheque to the winner.

GASR: Section 3 – Other Gaming

Revenue

- The PAC gaming records should be able to separately identify the source of interest, tax rebates, or revenue from the sales of assets purchased originally with gaming funds even though the amounts are combined into one dollar figure for Line 14.
- The PAC records, and the GASR, must separately identify the source of each donation of gaming funds the PAC has received.

GASR: Line 18 – Total Gaming Revenue

- The GASR requires the PAC to summarize the total new gaming funds it received over the course of the fiscal year.
- In this total, only include the amounts reported in each of the three sections; grants, licensed revenue, and other revenue.
- Do NOT include the opening balance amount located at the top of the GASR.

GASR: Section 4 – Prize Costs

- Prize costs for licensed gaming events: If the PAC conducted more than one event, it may be useful to look to the GERRs for the event information to combine and report here. As noted previously, where cash prizes are allowed to be paid from cash sales of the event, ensure the prizes are reported here in full on the appropriate line; bingo, ticket raffle, etc.
- Other prize costs: this would be prizes awarded at a poker event, social occasion casino, or other type of event that does not come under the bingo or regular ticket raffle definitions.

GASR: Section 4 – Licensed Gaming Expenses

- Expenses for a gaming event might initially be paid from a PAC general account or by a PAC volunteer. Ensure the general account and/or the volunteers are reimbursed, and a receipt for the expense is retained with the gaming records for the event. These expenses need to be reported on both the GASR and the GERR.
- A gaming event may require a float; a small amount of cash the PAC has available to provide purchasers of raffle tickets, etc., with change. This float must come from the PAC's general account; it is not an eligible use of gaming funds.
- As with the prize costs, the GERRs may be useful, should the PAC have conducted more than one gaming event, to summarize the expenses for reporting on the appropriate lines; bingos, ticket raffles, and other gaming event expenses.

GASR: Section 5 – What was available to spend and where did it go?

- In this section, the report will draw together:
 - the opening balance of gaming funds from the information area at the start of the report
 - all the gaming revenue received during the year, and
 - the costs incurred to earn that revenue.
- This information is used to determine what the PAC had available to spend during their fiscal year.
- A detailed list of each disbursement is required to report how the funds were spent.

GASR: Line 27 – Net gaming proceeds

- On this line, the PAC is to report how much money was left after its gaming fundraising efforts were completed.
- Start with: the gross revenues earned from page one of the report, Line 18
- Subtract from the gross revenues: the cost of all prizes and all expenses from gaming events the PAC conducted, Lines 22 and 26 respectively.
- Record the net proceeds, the amount left, on Line 27.

GASR: Line 28 – What’s available to spend

- The PAC will now bring the starting balance from the information area of the report into the funds available equation.
- Add “Opening Balance of Gaming Account”, Line 1, to the “Net gaming proceeds” from Line 27, and enter the sum here.
- The PAC now knows what it had available to spend over the year, and will detail how it was spent.

GASR: Section 5 – Gaming funds disbursements

- For each disbursement, the PAC must report:
 - The date the cheque was written or the date of the electronic funds transfer (EFT).
 - The cheque number used or the bank transaction EFT number.
 - The recipient of the cheque or the EFT. If the PAC is reimbursing its general account for a purchase, the recipient is the General Account.
 - What was bought. This line should indicate where the original purchase was made and clearly describe what was purchased. For example: CrazyBus - Grade three field trip to museum in September.
- The amount of the disbursement.

GASR: Sections 6 & 7 – Ending Information

- Section 6 – Closing Balance: This will be the balance of the PAC gaming account on the last day of its fiscal year. This should either match the PAC bank statement balance, or the PAC ending ledger balance. If the PAC has more than one gaming account, or if the PAC has an investment certificate remaining that was purchased with gaming funds, the closing balance will be the combination of those amounts.
- Section 7 – Gaming Account Information at Fiscal Year End: This section requires the PAC to list each individual gaming bank account and gaming-funded investment. The ACTUAL balance, for each account or investment, is required in this reporting section.

GASR: Sections 9 & 10 – About Your PAC

- Section 9 – Community Benefit: Describe, briefly, how the PAC supported the extracurricular activities of the students.
- Section 10 – Certification: The current board of directors signing the report are required to provide their position and contact information on the report. One of the signatories **MUST** be the Treasurer. This section provides the Branch with updated contact information. By signing the report, the board members accept responsibility for its accuracy.

GERR: Reporting for a Gaming Event

Revenues and Prizes

- The PAC must complete one Gaming Event Revenue Report for each licence it acquires.
- Section 2 – Gross Revenue: Ensure that the gross sales are reported. This is important to remember for events that allow the payment of cash prizes from cash sales on the same day, such as percentage draws and bingos.
- Section 3 – Prize Costs: Make sure the PAC includes discounted purchase amounts under “Donated prizes”, and accurately records cash prizes paid out.

GERR: Reporting for a Gaming Event

Expenses and Net Proceeds

- Remember that the PAC must report all expenses for the gaming event on the GERR.
- Gaming event expenses are reported as a percentage of gross revenue on Line 22 of the report. This is to ensure the event expenses meet the policy requirement of being 25% or less of the actual gross revenue from the event.
- Section 6 – Certification: The current board of directors, one of whom is the Treasurer, must sign the report to accept responsibility for its accuracy and provide the Branch with current contact information.

Sharing the Knowledge

As PAC groups welcome new people on board, they need to ensure a process is in place to transfer responsibility for:

- Gaming grant applications
- Gaming record storage
- Recording revenues and disbursements, and
- Timely completion of gaming reports.

Keeping PAC grant applications and reporting up to date can be made easier by having detailed, key information in one place – like a binder.

Good Information to Pass Along

An information binder might include:

- A record of important dates, such as CGG application deadlines, Gaming Account Summary Report due dates, and licensed gaming event application processing times and reporting due dates
- A copy of the Board authorization document, if the PAC uses electronic transfer out of the gaming account
- Copies of applications for grants and licences
- Copies of reports
- Copies of past licensed gaming event documents and sample ticket formats
- How to update the signing authorities at the PAC's bank.

Access to Records

It can be unclear where it is best to store gaming records that accumulate over the years. Two options for most PAC groups are:

- Records kept at the school:
 - Keeps records in one central location
 - There are limitations on their accessibility
 - The risk of loss is usually small
- Records kept at a personal residence:
 - Keeps records in one location
 - There are limitations on their accessibility to the individual
 - The risk of loss may be greater

Let's Wrap It Up...

- The PAC can receive gaming revenue from many sources, and all gaming revenue must be deposited into the PAC gaming account. Community Gaming Grants may be accumulated for up to three years, and all other gaming revenues must be disbursed one year from receipt.
- Disbursements from the PAC gaming account must be for an eligible use, and be done through either a cheque or an approved electronic funds transfer. Cash withdrawals, including writing cheques for petty cash or float money, is not allowed.
- PACs are required to report yearly on their gaming account, and individually for each licence they receive for a gaming event.
- All records that address a gaming revenue receipt, a gaming fund disbursement, or a licensed gaming event are required to be retained for a specified period of time depending on their source.

How to Contact Us

- Email: Gaming.Branch@gov.bc.ca
- Telephone: Licensing & Grants Division
(250) 387-5311

(Vancouver – toll free) (604) 660-2421, ask for 387-5311
(Elsewhere – toll free) 1-800-663-7867, ask for 387-5311
- Other contact information can be found at:
<http://www.gaming.gov.bc.ca/contact/index.htm>
- Applications, guidelines, conditions and standard procedures can be found at:
<https://www.gaming.gov.bc.ca>

